

1-1 By: Hunter (Senate Sponsor - Whitmire) H.B. No. 2766  
 1-2 (In the Senate - Received from the House May 6, 2013;  
 1-3 May 7, 2013, read first time and referred to Committee on Finance;  
 1-4 May 20, 2013, reported favorably by the following vote:  
 1-5 Yeas 14, Nays 0; May 20, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20			X	
1-21	X			
1-22	X			

1-23 A BILL TO BE ENTITLED  
 1-24 AN ACT

1-25 relating to the exclusion of certain flow-through funds in  
 1-26 determining total revenue for purposes of the franchise tax.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. Section 171.1011(g), Tax Code, is amended to  
 1-29 read as follows:

1-30 (g) A taxable entity shall exclude from its total revenue,  
 1-31 to the extent included under Subsection (c)(1)(A), (c)(2)(A), or  
 1-32 (c)(3), only the following flow-through funds that are mandated by  
 1-33 contract or subcontract to be distributed to other entities:

1-34 (1) sales commissions to nonemployees, including  
 1-35 split-fee real estate commissions;

1-36 (2) the tax basis as determined under the Internal  
 1-37 Revenue Code of securities underwritten; and

1-38 (3) subcontracting payments made under a contract or  
 1-39 subcontract entered into [handled] by the taxable entity to provide  
 1-40 services, labor, or materials in connection with the actual or  
 1-41 proposed design, construction, remodeling, remediation, or repair  
 1-42 of improvements on real property or the location of the boundaries  
 1-43 of real property.

1-44 SECTION 2. This Act applies only to a report originally due  
 1-45 on or after the effective date of this Act.

1-46 SECTION 3. This Act takes effect January 1, 2014.

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